WEEKLY ECONOMIC REVIEW

April 27, 2007

According to the preliminary estimates released by Statistics Canada on April 25, 2007, Alberta led the country in economic growth for the third consecutive year. In 2006, Alberta's real GDP rose by 6.8%, two and a half times Canada's growth of 2.7% and well beyond 2005 growth of 4.6%.

Alberta's personal income jumped 11.6% in 2006, double the national growth of 5.8%. Alberta's labour income increased by 12.5%, well beyond Canadian growth of 6.1%.

In 2006, corporate profits in Alberta advanced by 2.5%, well below the exceptional 30.5% growth recorded in 2005.

Real consumer expenditures were up by 7.9% in 2006, mostly due to strong spending on durables (14.5%) and non-durables (12.1%).

The Bank of Canada announced this week that it will keep the overnight rate unchanged at 4.25%. While Canadian economy grew in line with Bank's expectations, higher-than-expected inflation remains the main area of concern.

Given capacity pressures and higher food and energy prices, the Bank expects all-items inflation rate to rise to 2% in 2007, up from January's forecast of 1.7%. Bank's economic growth forecast was trimmed by 0.1 percentage point in both 2007 (2.2%) and 2008 (2.7%).

Cdn Dollar (Cc/US$)

Apr 27, 2007	89.7¢
Apr 20, 2007	89.1¢
2007-08	88.1¢

WTI Oil US$/bbl

Apr 26, 2007	$65.06
Apr 19, 2007	$61.83
2007-08	$63.94

Nymex Natural Gas CS/mcf *

April Contract

Apr 27, 2007	$8.54
Apr 20, 2007	$8.30

*Estimate based on Nymex Futures Market Price

Real U.S. gross domestic product grew at an annual rate of 1.3% in the first quarter of 2007, the slowest pace in four years. The moderation in real GDP growth was a slump in the housing market and worsening trade deficit. However, the consumer price deflator rose by 2.2% in the first quarter, up from 1.8% in the previous quarter. Rising inflationary pressures have dampened expectations of an interest rate cut in the near term.

Oil prices climbed to US$65.06 as gasoline inventories and refinery capacity declined.

Economic Indicators Released this Week	Reference Period	Quarter/Previous Quarter (Q/Q)	Quarter/Previous Year's Quarter (Y/Y)	Year-to-date[1]
U.S. Real GDP	**1st Quarter**			
(annualized, billions of 2000 dollars)	11,549.1	0.3%	2.1%	1.3%
Real Gross Domestic Product ($ Millions)	**Provincial Economic Accounts 2006**	**Year/Previous Year (Y/Y)**		
Alberta	152,670	6.8%		
Canada	1,189,535	2.7%		
Personal Income ($ Millions)				
Alberta	139,775	11.6%		
Canada	1,087,823	5.8%		
Labour Income ($ Millions)				
Alberta	101,059	12.5%		
Canada	730,075	6.1%		
Corporate Profits ($ Millions)				
Alberta	53,727	2.5%		
Canada	200,338	5.7%		
Real Consumer Expenditures ($ Millions)				
Alberta	80,705	7.9%		
Canada	690,649	4.1%		

Source: Statistics Canada

1Year-to-date 2007 compared to the same period in 2006;